

File D 4 Costs

P/A NEWS REPORT

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and Richard Gensert, Cleveland engineer, have been appointed visiting Andrew Mellon Professors of architecture for 1969-70 at Carnegie-Mellon University. . . . Six new faculty members in the School of Engineering at the University of Miami have been appointed: Dr. Werner Grune, William Moeller, Felipe Prestamo, Michael A. Gallis, Dr. Bert D. Nelin, and Dr. Guillermo Gonzalez. . . . A new program called Humanistic Studies in Engineering has been announced by Princeton to study the criticism directed at the engineering field for the lack of beauty in bridges, factories, etc. Grants have been received from the National Endowment for the Humanities, The Ford Foundation, and the Rockefeller Foundation. A major reorganization of Yale University's School of Art and Architecture has been announced and will go into effect immediately for the 1969-70 academic year. Under the reorganization, there will be two deans instead of one. Howard S. Weaver will serve as Dean of the Faculties in Arts, while Charles W. Moore will serve as Dean of Faculties in Design and Planning and also as Director of Studies in Architecture; Professor Christopher Tunard will serve as Director of Studies in Planning.

Calendar

Architectural License Seminars, providing study aids for The State Board and NCARB Examinations, will be offered in the form of crash courses on November 22 in Houston at The Sheraton-Lincoln Hotel, November 23 in Atlanta at The Sheraton-Biltmore Hotel, December 6 in Chicago at The Sheraton-Chicago Hotel, December 7 in New York at The Park-Sheraton Hotel, December 13 in Los Angeles at The International Hotel. For information write Architectural License Seminars, PO Box 64188, Los Angeles, Calif. 90064.

Construction will not suffer much in 1970

by E. E. HALMOS, JR.

That Presidential construction cutback order in early August, now appears to be an almost desperate threat to the construction industry. Based on the hope that costs can be brought within reason, Mr. Nixon ordered a 75 percent cutback but only in projects that are wholly financed by the federal government: public buildings, reclamation projects, forest roads, etc. And the cutback is to affect only "new starts" — not ongoing projects.

What the President was talking about cannot total more than \$300 million worth of work. Against construction's annual \$90 billion or more gross, that is very small potatoes. (Exact details to where the cuts would be made have not been spelled out, even in October.

The threat to the industry lies here: something similar could be done, the President implied, to federally-financed construction (roads and the like — wherever federal funds are involved in some manner). And that means a total of as much as \$26 billion worth of work that could be affected — to say nothing of the corollary effect on municipal and state work. A cutback in this area could be a serious blow to the industry.

The Presidential follow-up, announcing appointment of a commission to consider jurisdictional disputes and settlements and industry problems as a whole, was part of a major attack on the problem, too.

Housing Secretary Romney read the monthly figures of the Census Bureau, and warned that total housing starts for 1969 may go below 1 million for the first time since 1966 — a function both of high costs of construction and high costs of financing.

Census also noted in August, that the total rate of new construction put in place was slipping a little — down to an annual rate

of about \$90.1 billion. The rate had held steady, with little change for several months, before showing the slight downturn (which was still a bit ahead of 1968, however). Housing seemed to be leading the way — its rate has been slowing steadily for at least five months.

And costs, boosted by a national average wage rise of more than 15.2 percent for construction workers, continued to climb. In fact, the monthly Sewage Treatment Plant and Sewer Construction cost index of the Federal Water Pollution Control Administration showed its biggest jump in years at the end of September — moving upward 1.90 percentage points, to reach a new all-time high at 135.34 (with 1957-59 as 100).

State and local construction spending — though at a whopping total of \$24.8 billion for the 12 months ending in June — was indicating some slowdown, too, or at least a leveling off, the rate of gain over the previous 12-month period was down slightly.

Taxpayers, too, were showing their concern over costs. The Investment Bankers Association noted that in the second quarter of the current year, more than half of all proposals submitted to voters — 54 percent, to be exact — failed to be approved. Particularly affected, said IBA, were bonds for educational purposes, where voters approved only 25 percent of proposals in the period. "Available data," added IBA, "indicate that the very low approval ratio for the first half of 1969 is the lowest for any comparable period on record. . . ."

In all, with Congress far behind on approval of other major money bills for government operations (and with no new programs approved, for example, the Housing bill), the remainder of the year looks like a confusing and uncertain time for the construction industry.